

## Summary of the roundtables under workstream 2 ADP 2, part 1 Bonn, Germany, 29 April–3 May 2013

### Note by the Co-Chairs

21 May 2013

#### I. Introduction

1. At the first part of the second session of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP), held in Bonn, Germany, from 29 April to 3 May 2013, the ADP convened workshops and continued its round tables on workstream 1 addressing matters related to paragraphs 2–6 of decision 1/CP.17 (regarding a process to develop a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties (hereinafter referred to as the 2015 agreement)) and on workstream 2 on matters related to paragraphs 7 and 8 of the same decision (regarding pre-2020 ambition).<sup>1</sup>

2. Two workshops and two round tables were convened under workstream 2. The objective of the workshops was to address the broad areas of low-emission development opportunities and the opportunities for mitigation and adaptation related to land use, and the aim of the round tables was to focus on how the ADP can catalyse action and build a practical and results-oriented approach to increasing pre-2020 ambition.

3. In our informal note on the second session of the ADP,<sup>2</sup> we provided possible questions which could be used to guide and facilitate the workshops and round tables. We then provided further questions during the round tables to allow Parties to build on the discussions in the workshops.

4. For the round table on *catalysing action*, we suggested the following discussion points:

- What barriers prevent Parties from undertaking more ambitious actions or participating in initiatives?
- How can actions taken under workstream 2 help to address these barriers and provide further incentives?

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<sup>1</sup> Round-table discussions were also convened at the informal additional session held in Bangkok, Thailand from 30 August to 5 September and at the second part of the first session of the ADP held in Doha, Qatar from 26 November to 7 December. The summaries can be found, respectively, at <<http://unfccc.int/resource/docs/2012/adp1/eng/2infsum.pdf>> and <<http://unfccc.int/resource/docs/2012/adp1/eng/6infsum.pdf>> for workstream 1; and <<http://unfccc.int/resource/docs/2012/adp1/eng/3infnot.pdf>> and <<http://unfccc.int/resource/docs/2012/adp1/eng/7infsum.pdf>> for workstream 2.

<sup>2</sup> <<http://unfccc.int/resource/docs/2013/adp2/eng/1infnot.pdf>>.

- How can means of implementation and international cooperation be used more efficiently and provide the incentives needed to encourage national action?
  - What role can the Convention play in catalysing action? How can the institutions under the Convention catalyse action at the national level by making a stronger contribution to the enhanced delivery of finance, technology and capacity-building?
  - What progress would Parties like to see under this workstream and how can this be captured in the workplan on enhancing mitigation ambition?
5. For the roundtable on *building a practical and results-oriented approach to increasing pre-2020 ambition*, we suggested the following discussion points:
- What further action can the ADP take in 2013 to identify and explore options for actions and initiatives that can close the pre-2020 ambition gap?
  - What activities should the ADP undertake in 2014 and 2015 towards ensuring the highest mitigation efforts under the Convention?
6. In their interventions, Parties addressed the suggested questions and proposed several concrete ways in which action could be catalysed to increase the level of ambition at various levels. Concrete suggestions were also made on how the ADP could advance its work in the short, medium and long term leading up to 2020.
7. This note summarizes the discussions of the roundtables on catalysing action and on building a practical and results-oriented approach to increasing pre-2020 ambition. During the first meeting of the roundtable on catalysing action, we provided an opportunity for Parties who were unable to intervene in the workshop on low-emission development opportunities to share their views. This report therefore also contains relevant elements of the discussion under that workshop.

## **II. Increasing ambition through catalysing action at the national level**

8. It was widely accepted that increasing ambition at the national level is a common endeavour of all Parties which must be guided by the principles of the Convention. Consistent with these principles, it was stressed that developed countries should honour their mitigation commitments, enhance their national actions in the context of low-emission development and mobilize means of implementation, i.e. finance, technology development and transfer and capacity-building, to support developing countries to facilitate enhanced action in developing countries.
9. During the discussions, Parties took the opportunity to highlight national actions and initiatives which they are undertaking to increase their level of mitigation ambition, as well as some of the barriers which prevent them from taking further action. Some of these actions and initiatives focused on long-term planning solutions, such as redesigning energy production towards green energy production, setting renewable energy targets, or implementing low-emission development or carbon-neutral strategies and integrating such strategies into broader national development planning, while others focused on economic policy instruments, such as carbon taxes and tariffs, or emission trading schemes.

10. The interventions showcased the richness and diversity of action across the globe, highlighting examples where developed countries are effectively implementing low-emission development strategies, and illustrating that many developing countries are also undertaking ambitious action to simultaneously address mitigation, adaptation and poverty eradication. Parties acknowledged, however, that although much was being done nationally, further action was still needed to reach the goal of limiting the global temperature increase to 2 °C below pre-industrial levels.

11. Timely national implementation of international obligations was therefore encouraged. In particular, all Parties were urged to promptly ratify the Doha Amendment to the Kyoto Protocol<sup>3</sup>. It was observed that more than 110 Parties to the Kyoto Protocol needed to ratify the Doha Amendment for it to enter into force. Parties included in Annex I to the Convention (Annex I Parties) that have undertaken to commit to a second commitment period of the Protocol were encouraged to promptly implement their commitments and to find ways to increase the ambition of their current targets in 2014 through the ambition mechanism referenced in decision 1/CMP.7 paragraphs 7 – 11.

12. Engaging relevant ministries in the national effort to develop and implement low-emission and climate-resilient development opportunities was also recognized by Parties as an important element of success towards achieving the goals of sustainable low-emission development. In sharing their national experiences, several Parties highlighted the positive role of inter-ministerial engagement in facilitating the coherent anchoring of climate change strategies into national sustainable development plans. A few Parties noted, however, that ambition should be increased through a comprehensive approach at the national level rather than through a sector-specific approach.

13. The importance of involving non-State actors, such as the private sector, academia and civil society, in the development and implementation of these policies and strategies was also noted. Some Parties shared their experiences of stakeholder engagement when they decided to move towards low-emission development options. In their experience, highlighting the socio-economic co-benefits of undertaking the proposed mitigation action, such as job creation, poverty eradication or improvements to public health, usually brought the relevant stakeholders, such as the private sector and the social community, on board in the implementation of these options. A few Parties cautioned that sometimes unintended social, economic and environmental consequences may occur as a result of actions geared towards enhancing mitigation ambition. They strongly suggested that such consequences should be seriously taken into consideration when discussing options and ways to increase ambition.

14. In sharing their experiences, Parties highlighted some of the barriers which they encountered as they sought to undertake more ambitious national action, including:

- Absence of a strong institutional framework that would enable effective national implementation;

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<sup>3</sup> <<http://unfccc.int/resource/docs/2012/cmp8/eng/13a01.pdf#page=2>>

- Lack of alternatives to fossil-fuel use in some countries, which is directly linked to a high increase in the demand for electricity and dependency on energy to meet sustainable development needs;
- Limited private-sector engagement or the absence of a functioning private sector to attract investments, as is the case in some small island developing States;
- Lack of access to suitable financing instruments;
- High initial investment costs that are often required to develop low-emission opportunities;
- Gaps in financing feasibility studies in the implementation process;
- Financial and legal challenges in undertaking cost-benefit analyses which would quantify the benefits of undertaking action;
- Long development phases and associated costs which lead to a lack of implementation, even if high potential has been identified;
- Carbon leakage associated with industry, whereby companies might prefer to relocate to countries with less stringent emission reduction standards, thereby providing a competitive advantage to products imported from such countries versus those produced in countries with ambitious standards.

### **III. Increasing ambition through catalysing action at the international level**

15. Although it was recognized that action was being taken at the national level, it was widely accepted that a more coherent international approach could further enhance national action. In this regard, many Parties reiterated the importance of promptly ratifying the Doha Amendment to the Kyoto Protocol and encouraging Annex I Parties that have agreed to take on emission reduction targets under the second commitment period of the Kyoto Protocol to promptly implement their commitments. Annex I Parties that are not Parties to the Kyoto Protocol were strongly encouraged to do their part by undertaking comparable action under the Convention.

16. Many Parties stated that immediate operationalization and capitalization of the Green Climate Fund would encourage more developing countries to join the global effort to reduce emissions and submit a nationally appropriate mitigation action (NAMA). Engaging a wider cross-section of stakeholders (e.g. international financial institutions, the private sector and academia) was also seen as an important action which could facilitate enhanced action at the international level.

17. It was acknowledged that international cooperative initiatives could play an important role in implementing existing pledges and in increasing the level of ambition. In this regard, it was suggested that some level of interaction among these various international initiatives and with the UNFCCC process, would be useful. Parties cautioned, however, that these initiatives should not replace domestic action, and should follow the principles of the Convention, have no adverse impact on other Parties, address areas with high mitigation potential and respect national circumstances. Some of the initiatives highlighted included those which addressed

short-lived climate pollutants, hydrofluorocarbon (HFC) emissions, fossil-fuel subsidies, renewables, energy efficiency, low-emission development opportunities and reducing emissions from deforestation and forest degradation in developing countries, including the role of conservation, sustainable management of forest and enhancement of forest carbon stocks (REDD+). Cooperative initiatives among cities to increase ambition at the subnational level were also recognised as having significant potential, including the efforts of the C40 Cities Climate Leadership Group.

18. Some Parties noted the important role which carbon markets could play in attracting finance from the private sector for enhanced climate action and in catalysing cost-effective mitigation to close the mitigation gap. In this regard, it was suggested that addressing the current low carbon price could incentivise the engagement of developing countries and the private sector. It was also suggested that both market-based and non-market based approaches should be considered as viable solutions to facilitate an increase in the level of ambition.

19. Parties also discussed the role of the Convention in catalysing action. Some Parties suggested that the UNFCCC process could provide a platform which gives visibility to initiatives at all levels, allows for the exchange of information and identifies further actions which can be taken. The UNFCCC process could also provide a platform to promote transparency, acknowledge the progress made and send a message to the global community that action is taking place. It was also proposed that the UNFCCC should engage with other international organizations, such as the International Energy Agency and the International Renewable Energy Agency, to promote information-sharing and cooperation.

20. It was acknowledged that the roundtable discussions under the ADP were a useful way of sharing technical information and exchanging experiences, success stories and best practices. Several suggestions were made to facilitate this sharing of information, including: an international forum to systematize best practice knowledge; an institutionalized permanent roundtable of experts (e.g. web-based); and a forum for international and regional experts and regional conversations to focus on specific regional environmental and economic challenges.

21. Many Parties also reiterated the fact that technical discussions alone were not sufficient and that enhanced political engagement, both at the ministerial level and at the level of heads of government, was needed to add impetus to the discussions and catalyse action at all levels. In this regard, many Parties asked for a high-level event at COP 19 in Warsaw, Poland to discuss how to increase the level of pre-2020 ambition.

#### **IV. The role of means of implementation (finance, technology development and transfer and capacity-building) in facilitating an increase in ambition**

22. It was acknowledged that the provision of adequate finance, technology development and transfer and capacity-building could facilitate enhanced action by developing countries.

23. Several Parties expressed their concerns over the difficulties in obtaining climate finance and at the high up-front costs needed to invest in renewable energy technologies. The potential role of the private sector in leveraging public finance and in investing in climate-friendly technologies was therefore highlighted. Many Parties further proposed that immediate

operationalization and capitalization of the Green Climate Fund could provide much-needed financial resources for developing countries.

24. The importance of technology development, transfer and deployment in transitioning to low-emission development was emphasized. It was acknowledged that creating an enabling policy environment provided the incentives that stakeholders need to adopt clean technologies in a least-cost manner. A combination of different policy instruments were identified which could create this environment, including emission trading schemes, regulations, standards and tax reforms. It was also noted that the best solution for a country is the one that takes into account its national economic circumstances. Developing countries were therefore encouraged to identify their technology needs and to develop technology action plans and road maps. Parties therefore saw the Technology Mechanism as an existing institution under the Convention which could further facilitate this process as well as the implementation of technology action plans and road maps.

25. The importance of capacity-building support was also recognised and some examples were provided by developed countries of how they facilitate capacity-building in developing countries. In one example, a Party highlighted how it promoted low-emission development through the development of an international organisation to specifically address the issue of global green growth.

26. The Adaptation Committee and the NAMA registry were also recognised as existing structures under the Convention that should facilitate the provision of enhanced means of implementation.

## **V. Moving towards a practical and results-oriented approach to increasing pre-2020 ambition**

27. It was widely acknowledged that immediate and tangible outcomes from workstream 2 would provide a solid foundation for achieving a successful outcome for the 2015 agreement. Parties therefore made concrete suggestions on further actions which the ADP could take to identify and explore options for actions and initiatives that could close the pre-2020 ambition gap.

28. Many Parties emphasized the importance of early and effective implementation of the decisions of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol and of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention, such as the 2014 review of the Kyoto Protocol commitments under the ambition mechanism, the clarification of pledges and long-term finance. Developing countries were also encouraged to engage in the effective implementation of the agreed outcome and those that have not already submitted NAMAs were encouraged to do so. Developed countries were therefore encouraged to step up efforts to mobilize enhanced financial, technical and capacity-building support to enable developing countries to prepare and implement their mitigation actions.

29. It was also noted that in a number of cases, developing countries were undertaking initiatives and actions relevant to addressing climate change which were not necessarily being

recognized by the UNFCCC because they had not been communicated. Developing countries were therefore encouraged to communicate their actions.

30. In discussing how the ADP should move forward, many Parties suggested that the ADP should identify mitigation options with the highest potential, and focus on encouraging Parties that have not yet submitted a mitigation pledge to do so and on encouraging those that have already pledged to increase the ambition of their existing pledges.

31. With regard to the second part of the second session of the ADP to be held in Bonn, Germany, from 3 to 14 June 2013, several Parties expressed the wish to immediately establish a contact group to further focus the work of the ADP. Some Parties were also very keen to convene further workshops on specific thematic areas and their mitigation potential with the broad participation of relevant stakeholders, such as the private sector, international expert organizations and civil society. It was proposed that the workshops could focus on the most cost-effective actions in the areas with the greatest emission reduction potential, such as renewable energy sources and energy efficiency. Other suggestions included HFCs, fossil-fuel subsidy reform, climate financing, opportunities for mitigation and adaptation related to land use, including REDD+, the role of international cooperative initiatives, the role of market-based and non-market based approaches, eco-labelling and international bunkers. Means of implementation, in particular the role of finance in enhancing pre-2020 ambition, was also identified as an important issue to be further discussed.

32. As we reflected on the discussions, we proposed that further work was needed on the following areas:

- Renewable energy sources and enhancing energy efficiency;
- Land-use opportunities;
- Climate financing and the promotion of climate-friendly investment;
- The role of international cooperative initiatives in enhancing national action;
- How institutions established under the Convention can enhance access to the means of implementation to increase the level of pre-2020 ambition;
- The need for political engagement to advance work on enhancing mitigation ambition.

33. Some Parties identified the need to maintain a balanced approach and focus on aspects of the ambition gap that had not received sufficient attention during the meeting, highlighting that some aspects had already been discussed sufficiently.

34. Many Parties supported high-level political engagement and suggested that a high-level dialogue on raising mitigation ambition at a ministerial level should be convened at COP 19 in Warsaw, Poland. It was also suggested that a ministerial meeting could be convened to specifically focus on energy efficiency and renewable energy sources, with the participation of finance ministers. The engagement of world leaders during 2014 was also mentioned, with specific reference being made to the announcement of the UN Secretary-General to convene world leaders in 2014. Enhancing information-sharing and the systematization of technical

knowledge through the creation of an expert forum were also seen as possible ways of feeding into the political process.

35. In addition to continued workshops and round tables, there were suggestions for submissions, further technical papers and technical working groups on specified topics.